

VGD - AVOS AUDIT s.r.o.

Translation of the Independent Auditor's Report in Slovak language

INDEPENDENT AUDITOR'S REPORT

**for the period from 1.10.2014 to 31.12.2014
concerning verification of the average print run and paid
circulation of periodicals published by**

P E R E X , a . s .

INDEPENDENT AUDITOR'S REPORT

We were appointed to verify Average Print Run and Paid Circulation of Pravda daily and Average Print Run and Paid Circulation of Pravda Magazín supplement for the period from October 1st 2014 to December 31st 2014 in accordance with the Print Run and Paid Circulation Calculation Methodology approved by the Board of Directors of P E R E X , a. s. on July 24th 2012, as submitted to us.

Auditor's Responsibility

Our responsibility is to express an opinion on the data submitted to us based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the submitted data are free of material misstatements

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the submitted data. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement in the submitted data, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and objective presentation of the data on numbers of printed and sold copies in order to design audit procedures that are appropriate in the circumstances.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Having reviewed the mutual links between the accounting records and the Average Print Run and Paid Circulation of Pravda daily and Average Print Run and Paid Circulation of Pravda Magazín supplement, as included in this Report, we have found no material misstatements and confirm that the average numbers of sold copies of the periodicals mentioned below in the reported months of 2014 are as follows:


Periodical	October 2014	November 2014	December 2014
Pravda daily	47 265	46 671	48 176
Pravda Magazín supplement	45 382	46 270	49 030

Piešťany, 23th February 2015

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 921 01 Piešťany
 Obchodný register, zložka 74698/B
 Licencia SKAu č. 269




 Responsible Auditor
 Ing. Erik Marek
 Licencia SKAu č. 866

	Month of edition											
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run										64 969	64 169	65 887
Retail Sales										27 226	27 866	28 639
Retail Sales B**								19 pcs per month, an average of 0,70 pcs/edition		1	1	1
Retail Sales C								19 pcs per month, an average of 0,83 pcs/edition		4	4	3
Subscriptions A								110 pcs per month, an average of 4,07 pcs/edition		14 432	14 408	14 517
Subscriptions B									-	-	-	-
Subscriptions C									-	-	-	-
Other Sales									95 pcs per month, an average of 4,13 pcs/edition	5 603	4 392	5 016
Paid Circulation *										47 265	46 671	48 176
Returns										17 704	17 498	17 712

14 pcs per month, an average of 0,58 pcs/edition

82 pcs per month, an average of 3,42 pcs/edition

Explanations:

Print Run:	Number of copies printed and invoiced by the print provider. The supplier invoice is duly recorded in the PEREX's accounting and paid to the supplier's account.
Retail Sales A:	Sales through the distribution network of the independent distributor Mediaprint-Kapa Pressegrasso, a.s., under a contract with PEREX.
Retail Sales B:	Sales through in-house store or the in-house distribution network. Presently, PEREX does not operate its own distribution network. PEREX sells Pravda copies in its own store which is accessible on the premises of the company's registered office.
Retail Sales C:	Sales through a distribution network owned by a publisher domiciled in the Slovak Republic.
Subscriptions A:	The sales take place outside the distribution network of the independent distributor Mediaprint-Kapa Pressegrasso, a.s.
Subscriptions B:	These sales may include sales through news-vendors.
Subscriptions C:	Subscriptions distributed by Slovenská pošta, a.s. under a contract with PEREX.
Other Sales:	Subscriptions distributed by a distribution network owned by a publisher domiciled in the Slovak Republic.
Paid Circulation:	Subscriptions delivered by Mediaprint-Kapa Pressegrasso, a.s., or other independent distribution network of an alternative postal service operator.
Returns:	Included in other sales are copies sold directly to the buyer under a purchase order or contract. Ordered copies are invoiced to the buyer. The invoice is duly recorded in the PEREX's accounting. The price of copies ordered and invoiced is at least 50% of the basic cover price. See the calculation methodology.
* Comment:	It is the sum of all sales.
** Comment:	Included in returned copies are copies destined for sale (whether directly, through distributors, news-agents or otherwise) that were not sold.
	The calculation of average values of respective sale types leads to rounding and hence to a possible difference of +1pcs or -1pcs to the average paid circulation, which is calculated as a proportion of the sum of all the sales and the number of issues in a given month.
	In 2014 Sales in PEREX's own store range from 12 to 19 pieces, resulting in a monthly average of 0,48 - 0,83 pcs/issue.

	Month of edition											
	January	February	March	April	May	Jun	July	August	September	October	November	December
Print run										64 729	64 830	65 942
Retail Sales										28 006	28 757	31 400
Retail Sales B**								9 pcs per month, an average of 1,80 pcs/edition		2	1	1
Retail Sales C										4	3	3
Subscriptions A								5 pcs per month, an average of 1,25 pcs/edition		17 077	17 135	17 190
Subscriptions B								18 pcs per month, an average of 3,60 pcs/edition		-	-	-
Subscriptions C										-	-	-
Other Sales									293	373	435	
Paid Circulation *								13 pcs per month, an average of 3,25 pcs/edition		45 382	46 270	49 030
Returns									19 347	18 560	16 912	

6 pcs per month, an average of 1,2 pcs/edition

16 pcs per month, an average of 3,2 pcs/edition

Explanations:

Print Run:	Number of copies printed and invoiced by the print provider. The supplier invoice is duly recorded in the PEREX's accounting and paid to the supplier's account.
Retail Sales A:	Sales through the distribution network of the independent distributor Mediaprint-Kapa Pressegrasso, a.s., under a contract with PEREX.
Retail Sales B:	Sales through in-house store or the in-house distribution network. Presently, PEREX does not operate its own distribution network. PEREX sells Pravda copies in its own store which is accessible on the premises of the company's registered office.
Retail Sales C:	Sales through a distribution network owned by a publisher domiciled in the Slovak Republic. The sales take place outside the distribution network of the independent distributor Mediaprint-Kapa Pressegrasso, a.s. These sales may include sales through news-vendors.
Subscriptions A:	Subscriptions distributed by Slovenská pošta, a.s. under a contract with PEREX.
Subscriptions B:	Subscriptions distributed by a distribution network owned by a publisher domiciled in the Slovak Republic.
Subscriptions C:	Subscriptions delivered by Mediaprint-Kapa Pressegrasso, a.s., or other independent distribution network of an alternative postal service operator.
Other Sales:	Included in other sales are copies sold directly to the buyer under a purchase order or contract. Ordered copies are invoiced to the buyer. The invoice is duly recorded in the PEREX's accounting. The price of copies ordered and invoiced is at least 50% of the basic cover price. See the calculation methodology.
Paid Circulation:	It is the sum of all sales.
Returns:	Included in returned copies are copies destined for sale (whether directly, through distributors, news-agents or otherwise) that were not sold.
* Comment:	The calculation of average values of respective sale types leads to rounding and hence to a possible difference of +1 pcs or -1 pcs to the average paid circulation, which is calculated as a proportion of the sum of all the sales and the number of issues in a given month.
** Comment:	In 2014 Sales in PEREX's own store range from 3 to 9 pieces, resulting in a monthly average of 0,75 - 1,8 pcs/issue.